AMENDMENT TO RULES COMMITTEE PRINT 116-57

OFFERED BY MR. GONZALEZ OF OHIO

Page 1115, after line 5, insert the following:

Subtitle F—Taiwan Non-Discrimination

SEC. 1771. SHORT TITLE.

This subtitle may be cited as the “Taiwan Non-Discrimination Act of 2020”.

SEC. 1772. FINDINGS.

The Congress finds as follows:

(1) As enshrined in its Articles of Agreement, the International Monetary Fund (IMF) is devoted to promoting international monetary cooperation, facilitating the expansion and balanced growth of international trade, encouraging exchange stability, and avoiding competitive exchange depreciation.

(2) Taiwan is the 22nd largest economy in the world and the 10th largest goods trading partner of the United States.

(3) Although Taiwan is not an IMF member, it is a member of the World Trade Organization, the

(4) According to the January 2020 Report on Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States, published by the Department of the Treasury, Taiwan held $471,900,000,000 in foreign exchange reserves, more than major economies such as India, South Korea, and Brazil.

(5) According to section 4(d) of the Taiwan Relations Act (Public Law 96–8), enacted on April 10, 1979, “Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization.”.

(6) Taiwan held membership in the IMF for 9 years following the recognition of the People’s Republic of China (PRC) by the United Nations, and 16 Taiwan staff members at the Fund were allowed to continue their employment after the PRC was seated at the IMF in 1980. As James M. Boughton has noted in his Silent Revolution: The International Monetary Fund 1979–1989, even as the PRC was seated, the United States Executive Director to the
IMF, Sam Y. Cross, expressed support on behalf of the United States government for “some kind of association between Taiwan and the Fund”.

(7) On September 27, 1994, in testimony before the Senate Committee on Foreign Relations regarding the 1994 Taiwan Policy Review, then-Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord stated: “Recognizing Taiwan’s important role in transnational issues, we will support its membership in organizations where statehood is not a prerequisite, and we will support opportunities for Taiwan’s voice to be heard in organizations where its membership is not possible.”.


(9) In its fact sheet, entitled “U.S. Relations with Taiwan”, published on August 31, 2018, the Department of State asserts: “The United States supports Taiwan’s membership in international organizations that do not require statehood as a condi-
tion of membership and encourages Taiwan’s meaningful participation in international organizations where its membership is not possible.”.

(10) According to the Articles of Agreement of the IMF, “membership shall be open to other countries”, subject to conditions prescribed by the Board of Governors of the IMF.

(11) In the IMF publication “Membership and Nonmembership in the International Monetary Fund: A Study in International Law and Organization”, Joseph Gold, the then-General Counsel and Director of the Legal Department of the IMF, elaborated on the differences between the terms “countries” and “states”, noting that “the word ‘country’ may have been adopted because of the absence of agreement on the definition of a ‘state’” and, with respect to the use of “countries” and applications for IMF membership, “the absence of any adjective in the Articles emphasizes the breadth of the discretion that the Fund may exercise in admitting countries to membership”. According to Mr. Gold, “the desire to give the Fund flexibility in dealing with applications may explain not only the absence of any adjective that qualifies ‘countries’ but also the choice of that word itself”.
In his IMF study, Mr. Gold further observes, “in the practice of the Fund the concepts of independence and sovereignty have been avoided on the whole as a mode of expressing a criterion for membership in the Fund”. He continues, “Although the Fund usually takes into account the recognition or nonrecognition of an entity as a state, there are no rules or even informal understandings on the extent to which an applicant must have been recognized by members or other international organizations before the Fund will regard it as eligible for membership.”. In fact, when considering an application for membership where the status of an applicant may not be resolved, Mr. Gold writes “there have been occasions on which the Fund has made a finding before decisions had been taken by the United Nations or by most members or by members with a majority of the total voting power.” Mr. Gold concludes, “the Fund makes its own findings on whether an applicant is a ‘country’, and makes them solely for its own purposes.”.

Although not a member state of the United Nations, the Republic of Kosovo is a member of both the IMF and the World Bank, having joined both organizations on June 29, 2009.
SEC. 1773. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) the size, significance, and connectedness of the Taiwan economy highlight the importance of greater participation by Taiwan in the International Monetary Fund, given the purposes of the Fund articulated in its Articles of Agreement; and

(2) the experience of Taiwan in developing a vibrant and advanced economy under democratic governance and the rule of law should inform the work of the international financial institutions, including through increased participation by Taiwan in the institutions.

SEC. 1774. CONDITION ON IMF QUOTA INCREASE FOR THE PEOPLE'S REPUBLIC OF CHINA.

(a) IN GENERAL.—The United States Governor of the International Monetary Fund (in this section referred to as the “Fund”) shall use the voice and vote of the United States to oppose, and may not consent to, an increase in the quota of the People’s Republic of China in the Fund, unless the Secretary of the Treasury reports to the Congress that—

(1) the Board of Governors of the Fund is considering admission of Taiwan as a member of the Fund, pursuant to the recommendation of the Board of Executive Directors of the Fund; or
(2) Taiwan enjoys meaningful participation in the Fund, including through—

(A) participation in regular surveillance activities of the Fund with respect to the economic and financial policies of Taiwan, consistent with Article IV consultation procedures of the Fund;

(B) employment opportunities for Taiwan nationals, without regard to any consideration that, in the determination of the Secretary, does not generally restrict the employment of nationals of member countries of the Fund; and

(C) the ability to receive appropriate technical assistance and training by the Fund.

(b) WAIVER.—The Secretary of the Treasury may waive subsection (a) of this section with respect to a proposal on reporting to the Congress that providing the waiver will substantially promote the objective of securing more equitable treatment of Taiwan at each international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act).

(c) SUNSET.—This section shall have no force or effect beginning with the date that is 7 years after the date of the enactment of this Act.
SEC. 1775. ENSURING NON-DISCRIMINATION WITH RESPECT TO TRAVEL POLICIES AT THE INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) In General.—The Secretary shall instruct the United States Executive Director at each international financial institution to use the voice and vote of the United States to ensure that the travel policies and procedures of the respective institution with respect to Taiwan as a destination or transit point do not impose any administrative conditions, including through restrictions on logistical arrangements or meeting participants, that do not generally apply to a member country of the institution as a destination or transit point, except as required temporarily for reasons of public safety or public health.

(b) Definitions.—In this section:

(1) International Financial Institution.—The term “international financial institution” has the meaning given the term in section 1701(c)(2) of the International Financial Institutions Act.

(2) Secretary.—The term “Secretary” means the Secretary of the Treasury.

(c) Waiver.—The Secretary may waive subsection (a) with respect to an international financial institution for up to 1 year at a time on reporting to the Congress that providing the waiver—
(1) will substantially promote the objective of securing more equitable treatment of Taiwan at the international financial institution; or

(2) is in the national interest of the United States, with a detailed explanation of the reasons therefor.

(d) Progress Report.—The Chairman of the National Advisory Council on International Monetary and Financial Policies shall submit to the Congress an annual report that describes the progress made in advancing the travel policies and procedures described in subsection (a), and may consolidate that report with the annual report required by section 1701 of the International Financial Institutions Act or any other report required to be submitted to the Secretary.

(e) Sunset.—This section shall have no force or effect beginning with the earlier of—

(1) the date that is 7 years after the date of the enactment of this Act; or

(2) the date on which the Secretary reports to the Congress that each international financial institution has adopted the travel policies and procedures described in subsection (a).
SEC. 1776. TESTIMONY REQUIREMENT.

In each of the next 7 years in which the Secretary of the Treasury is required by section 1705(b) of the International Financial Institutions Act to present testimony, the Secretary shall include in the testimony a description of the efforts of the United States to support the greatest participation practicable by Taiwan at each international financial institution (as defined in section 1701(c)(2) of such Act).